31 January 2011

ASX RELEASE
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QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2010

HIGHLIGHTS

- Finalisation of a placement of shares and options to sophisticated and other investors raising a total of $5.64 million before costs.

- Finalisation of a placement of shares and options through a Share Purchase Plan and shortfall raising a total of $2.93 million before costs.

- The Company has acquired claims in Arizona in the White Picacho Pegmatite District for lithium/tantalum and other specialty metals covering 2.75 square miles.

- The Company completed an eleven hole drill program at the Apex uranium project in Nevada. Uranium mineralisation was detected in ten of the eleven drill holes with pleasing results.

The Directors of Australian-American Mining Corporation Limited ("AusAmerican" or "Company") are pleased to report the following activities occurred in the last quarter ended 31 December 2010.

URANIUM PROJECTS

Apex Uranium Project (Nevada, AIW 100%)

During the quarter, the Company finalized an eleven hole drilling program at the Apex uranium project in Nevada, with pleasing results obtained. Ten out of the eleven drill holes intersected uranium mineralization. The drilling resulted in previously undefined zones that are expected to expand the resource and open new areas for further exploration.

Australian-American Mining Corporation Limited
ABN 99 073 155 781
572 Hay Street, Perth, WA, Australia, 6000
PO Box 1788, West Perth, WA, Australia, 6872
Telephone: (08) 9325 5568 Facsimile: (08) 9325 5574

The program consisted of eleven diamond cored (HQ) drill holes totalling 3,021 feet (917.1m). The drilling program results will be included in the process of updating the resource model aimed at expanding the total resource and identifying additional target areas within the mineralised zone.

Exploration Update

Drilling permits for further drilling at the Lowboy and Rio Puerco uranium projects have been received. The Company is planning a twelve hole 1,300 metre drilling program at Lowboy and a 3,000 to 4,000 metre program at Rio Puerco. Both projects have been delayed due to weather conditions but are expected to start in the next four to six weeks.

Preparatory work has commenced to enable application for drilling permits for the Lone Star uranium project in Texas. The timeline of 2 to 3 months is expected before drilling commences.

Specialty Metals Project

The Company has acquired claims in Arizona in the White Picacho Pegmatite District for lithium/tantalum and other specialty metals covering over 2.75 square miles. Sampling and assays for specialty metals that were conducted by an ISO 9000 laboratory based in Reno, Nevada have consistently indicated levels of specialty metals that are economically significant.

Dimensions of exposed pegmatites have been confirmed in the field, and also by previous geological mapping, show volumes of potential ore that may be economically significant. The Company plans to commence an initial drilling program later in the year following an extensive channel sampling program that has been 70% completed.

CORPORATE

Capital Raising

During the quarter, AusAmerican finalised a share placement to sophisticated and other investors which raised $5.64 million before fees. The placement was subject to approval by shareholders at the Company’s Annual General Meeting on Friday 5 November. All Resolutions received overwhelming support from shareholders and were carried.

The Company was delighted by the strong support of the placement and was particularly delighted at the support of North American investors who took up approximately 40% of the placement. This was placed to clients of Paradigm Capital Inc of Toronto, Canada.

The Company also undertook a Share Purchase Plan (“SPP”). The SPP terms were 6 cents per share with two tradable options (ASX code: AIWO) included for every three shares purchased. A General Meeting of the Company was held on 16 December 2010 to approve the free attached options to the placement as well as the options attached to the SPP.

The SPP resulted in $983,000 being raised through subscription by existing shareholders of AusAmerican. A further $1,950,000 was raised via the issue of the SPP shortfall to sophisticated and other investors. The Company was very pleased with a total of $2,933,000 being raised via the SPP and shortfall.

Funds raised from the placement and SPP will be used for the following:

1. Continue the drilling program at the Company’s three brownfield uranium projects in Nevada, New Mexico and Texas.
2. Consolidate, exploration and drilling of the Company’s specialty metal and rare earth projects in Arizona and follow up with metallurgical test work to confirm or otherwise the economics of these projects
3. Drill a section of the Bernard gold project.
4. Allow the Company to continue its work on uranium, rare earth, specialty metal and gold projects in the USA with a clear focus on the Uranium assets.

Convertible note

On 10 November 2010, the Company announced that it had given SpringTree Special Opportunity Fund LP notice of termination of its Convertible Note Agreement with the Company. AusAmerican wishes to thank SpringTree Special Opportunity Fund LP for its support and funding, but felt that it no longer required this funding mechanism now that the placement had been successfully completed.

Change of Status to Limited Company

As released to the ASX on 1 October 2010, the Company had received notification from the Australian Securities and Investments Commission that the Company is registered as being limited by shares. Accordingly, the Company’s name officially changed to Australian-American Mining Corporation Limited from Australian-American Mining Corporation N.L.

This change in name and status was approved by shareholders at a General Meeting of the Company on 10 August 2010.

Annual General Meeting

The Annual General Meeting of the Company was held on 5 November 2010 with all Resolutions carried by shareholders, including the re-election of Mr Denis Geldard and Mr Greg Barns as Directors.

Regards,

Jim Malone
Executive Chairman

Competent person

The review of exploration activities and results contained in this report is based on information compiled by Mr. Denis Geldard, Chief Executive Officer and Executive Director of Australian-American Mining Corporation Limited ("AusAmerican" or "Company"). Mr Geldard is a member of the Australasian Institute of Mining and Metallurgy. Mr Geldard has significant experience relevant to the style of mineralisation and types of deposits under consideration. Mr Geldard consents to the inclusion of this information in the form and context of this announcement.

Further information

Please contact Jim Malone +61 419 537 714 or jim.malone@iinet.net.au
Investor and Media Enquiries: Fortbridge- Bill Kemmery on +61 2 93310655 or +61 400 122 449.
North American Investor Relations Manager: Peter Barnes on +1 646 269 3073.

Cautionary note to U.S investors

The United States Securities and Exchange Commission limits disclosure for US reporting purposes to mineral deposits that a company can economically and legally extract or produce. We may use terms in the release such as "reserves", "resources", "geological", "proven", "probable", "measured", "indicated" or "inferred" which may not be consistent with the reserve definitions established by the SEC. US investors are

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urged to consider closely the disclosure in our annual reports. You can review and obtain copies of these filings from our website.

This announcement contains forward looking statements. These statements relate to future events, or our future financial performance. We have attempted to identify forward looking statements by terminology including “anticipates”, “believes”, “can”, “continue”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “potential”, “predicts”, “should” or “will” or the negative of these terms or other comparable terminology. The statements are only predictions and involve known and unknown risks, uncertainties and other factors. The following factors, among others, could cause our actual results and performances to differ materially from the results and performance projected in, or implied by, the forward looking statements:

- Our history of losses and expectation of further losses.
- The effect of poor operating results on our company.
- Our ability to expand our operations in both new and existing prospects and our ability to develop or acquire new prospects.
- Or ability to develop new prospects and our performance in detecting and producing uranium for yellow cake.
- Our ability to raise capital.
- Our ability to fully utilize and retain new executives.
- Negative publicity surrounding our product.
- Trends in consumer tastes in energy.
- The impact of litigation.
- The impact of Federal, state, local or foreign government regulations.
- The effect of competition in our industry.
- Economic and political conditions generally.